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UNCLAS SECTION 01 OF 02 MONTREAL 000543

SIPDIS

FROM USMISSION ICAO

DEPT FOR IO/T, EB/TRA/OTP/AVP  
DOT FOR OFFICE OF INTERNATIONAL AVIATION  
FAA FOR AIA-100

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SUBJECT: MEETING OF MALIAT PARTIES AT ICAO

THIS IS A CORRECTED VERSION OF MONTREAL 463 (NOTAL) ADDING  
INFO ADDRESSEES THAT WOULD BENEFIT FROM THE CABEL AS  
BACKGROUND.

1. SUMMARY: AT A BRIEF LUNCHTIME MEETING ON THE SIDES OF  
THE ICAO 5TH WORLDWIDE AIR TRANSPORT CONFERENCE,  
REPRESENTATIVES OF THE MULTILATERAL AGREEMENT ON  
LIBERALIZATION OF INTERNATIONAL AIR TRANSPORT (MALIAT)  
MEMBER COUNTRIES MET TO DISCUSS WAYS TO INCREASE THE  
AGREEMENT'S MEMBERSHIP. CURRENT PROSPECTS ARE SLIM, THE  
GROUP AGREED, WITH TONGA THE ONLY LIKELY CANDIDATE.  
PURSUIT, THEREFORE, OF A CARGO-ONLY ACCESSION OPTION WAS  
AGREED TO BE DESIRABLE, AND THE U.S. COMMITTED TO PROVIDE TO  
THE PARTNER COUNTRIES TEXT OF AN AMENDMENT TO THE MALIAT  
THAT WOULD ALLOW SUCH ACCESSION. IN DISCUSSION OF  
TRANSITIONAL ARRANGEMENTS, PARTIES AGREED THAT SUCH  
ARRANGEMENTS SHOULD BE OF LIMITED DURATION LEADING TO FULL  
MEMBERSHIP, AND ARE MOST PRACTICALLY PURSUED ON AN AD HOC,  
BILATERAL BASIS. END SUMMARY.

CURRENT PROSPECTS FEW

2. AT A MEETING HELD ON THE SIDELINES OF THE INTERNATIONAL  
CIVIL AVIATION ORGANIZATION'S (ICAO) 5TH WORLDWIDE AIR  
TRANSPORT CONFERENCE IN MONTREAL, THE MEMBERS OF THE  
MULTILATERAL AGREEMENT ON LIBERALIZATION OF INTERNATIONAL  
AIR TRANSPORT (MALIAT) REVIEWED THEIR OUTREACH TO VARIOUS  
POTENTIAL CANDIDATES FOR ACCESSION TO THE MALIAT. SOME  
CANDIDATES - U.A.E., OMAN, SRI LANKA, THE COOK ISLANDS, AND  
TONGA WERE MENTIONED - BUT OF THIS GROUP, IT APPEARED THAT  
ONLY TONGA HAD EXPRESSED SERIOUS INTEREST. NOTE: IN A  
SEPARATE DISCUSSION WITH THE U.S. HEAD OF DELEGATION, THE  
CHIEF REPRESENTATIVE FROM TONGA, WHO WAS ALSO THE CHAIRMAN  
OF THE ICAO MEETING, INDICATED THAT HIS COUNTRY WOULD BE  
TAKING A SERIOUS LOOK AT MALIAT MEMBERSHIP. END NOTE.

3. AS THE GROUP BRAINSTORMED, CONSIDERATION WAS GIVEN TO  
POTENTIAL CANDIDATES IN CENTRAL AMERICA. PERU AND CHILE,  
HOWEVER, NOTED THAT THEY HAVE FEW OPEN SKIES AGREEMENTS IN  
THIS REGION AND THAT MOST CENTRAL AMERICAN NATIONS ARE  
AFRAID OF THEIR NEIGHBORS TO THE SOUTH, PARTICULARLY CHILE.  
THEY ARE THEREFORE UNLIKELY TO GIVE SERIOUS CONSIDERATION TO  
MALIAT ACCESSION.

CARGO-ONLY PROSPECTS MORE PROMISING

4. THE LIST OF POTENTIAL CANDIDATES GREW LONGER WHEN  
DISCUSSION OF A CARGO-ONLY ACCESSION WAS RAISED. ALL  
MEMBERS SUPPORTED IN PRINCIPLE THE CONCEPT OF AMENDING THE  
MALIAT TO ALLOW SUCH ACCESSION, AND ALL EXPRESSED INTEREST  
IN REVIEWING AMENDMENT LANGUAGE PROMISED BY THE UNITED  
STATES. THE U.S. EXPLAINED THAT THE USG INTERNALLY HAD BEEN  
WRESTLING WITH WHETHER TO INCLUDE BELLY CARGO IN THE  
AMENDMENT, AND HAD FINALLY DECIDED TO DO SO. THERE WAS SOME  
DISCUSSION OF THE RELATIVE MERITS OF THIS APPROACH, AND ALSO  
OF THE IMPORTANCE OF MAKING CLEAR HOW A CARGO-ONLY MALIAT  
WOULD APPLY IN PARALLEL TO PASSENGER BILATERALS, BUT MOST  
WISHED TO RESERVE COMMENT UNTIL SEEING THE U.S. DRAFT.

5. THE CANDIDATES FOR FULL ACCESSION LISTED ABOVE WERE  
VIEWED AS MORE LIKELY CANDIDATES FOR A CARGO-ONLY ACCESSION.  
OTHER POTENTIAL CANDIDATES INCLUDED PAKISTAN, WITH WHOM THE  
U.S. HAS OPEN SKIES, THAILAND, WHICH HAS EXPRESSED INTEREST  
IN ESTABLISHING A REGIONAL CARGO HUB, AND AUSTRALIA, WHICH  
HAS NO SIGNIFICANT CARGO CARRIERS OF ITS OWN AND WITH WHOM  
MOST MALIAT MEMBERS ALREADY HAVE CARGO OPEN SKIES. IN  
ADDITION, CHILE AND PERU NOTED THAT THEY BOTH HAVE OPEN  
CARGO AGREEMENTS WITH ARGENTINA, AS DOES THE UNITED STATES.  
TAIWAN, DUE TO ITS UNIQUE POLITICAL STATUS, WAS ALSO  
MENTIONED AS A POTENTIAL CANDIDATE.

6. IT WAS ALSO CONCLUDED THAT BEFORE A FINAL APPROVAL OF ANY  
CARGO-ONLY AMENDMENT, THAT AMENDMENT SHOULD BE SHARED WITH  
POTENTIAL PARTNERS TO ENSURE THAT IT MIGHT BE ATTRACTIVE TO  
THEM. SOME MEMBERS EXPRESSED A DISINCLINATION TO AMEND THE  
MALIAT WITHOUT THE HIGH PROBABILITY OF AN ACCESSION  
CANDIDATE.

## TRANSITIONAL AGREEMENTS

17. IT WAS GENERALLY AGREED THAT ANY TRANSITIONAL MEASURES SHOULD BE JUST THAT - LEADING ULTIMATELY TO FULL MEMBERSHIP - AND THAT THERE SHOULD BE NO PERMANENT "LEVELS" OR "CATEGORIES" OF MEMBERSHIP WITHIN THE MALIAT (OTHER THAN THE CARGO-ONLY OPTION DISCUSSED ABOVE). FOR THAT REASON, IT WAS LARGELY FELT THAT TRANSITIONAL ARRANGEMENTS SHOULD BE ON AN AD HOC, BILATERAL BASIS WHERE THE SPECIFIC CONCERNS OF A POTENTIAL ENTRANT COULD BE ADDRESSED.

### PERU AND CHILE

18. THERE WAS NO DISCUSSION OF THE CURRENT THREAT BY PERU TO WITHDRAW FROM THE MALIAT. BOTH DELEGATIONS WERE RELATIVELY SILENT DURING THE MEETING, ALTHOUGH CHILE'S REMARKS ON THE UNDESIRABILITY OF TRANSITIONS SEEMED AIMED AT THEIR PERUVIAN COUNTERPARTS. DURING THE CONFERENCE, U.S. DELEGATION MEMBERS SPOKE SEPARATELY WITH PERU AND CHILE ABOUT THEIR RELATIONSHIP IN THE MALIAT, AND BOTH EXPRESSED THE HOPE THAT THE U.S. WOULD INVOLVE ITSELF IN HELPING THEM TO RESOLVE THEIR DIFFERENCES. FOR ITS SIDE, CHILE WAS CONCERNED THAT ANY SEPARATE, TRANSITIONAL AGREEMENT WITH PERU BE OPEN TO THE SCRUTINY OF OTHER MALIAT MEMBERS, SO THAT PERU FEELS GREATER PRESSURE TO MAKE THE EVENTUAL TRANSITION TO FULL MEMBERSHIP. PERU FOR ITS PART EXPRESSED SOME CONCERN ABOUT WHETHER THE APPROVAL OF OTHER MALIAT MEMBERS WAS REQUIRED BEFORE ANY AD HOC BILATERAL AGREEMENTS COULD HAVE FORCE. IN BOTH CASES, U.S. DELEGATION MEMBERS MADE CLEAR THAT, WHILE THE U.S. WAS HAPPY TO OFFER ASSISTANCE, ANY SOLUTION LIES WITH PERU AND CHILE TO RESOLVE BILATERALLY.

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